

Labor's Poor Form

David Burchell

The October election result has thrown the federal ALP into arguably its deepest malaise since the 1950s. In a short post-election commentary David Burchell reflects on the policy vortex that is Labor right now, and argues against a purely economy-minded policy shift.

Every lower-grade suburban cricketer knows the feeling. You got out for a duck, again, and everybody has advice. Your bat's not coming through straight. Your backlift's too high. You're crouching too much. The eyes aren't level. On and on the advice comes, like a torrent. Nets practice becomes like a session on the couch. No doubt everybody means well, but the cumulative effect is more to hinder than to help. Maybe you need to start again from scratch? New stance, new bat, new everything? Pretty soon your forward defensive stroke is so laboured it looks like Groucho Marx's walk.

Right now Labor leader Mark Latham is just such a suburban cricketer, albeit with a much higher level of stress. Labor got out for a golden duck in October this year, and suddenly everyone from the op-ed pages to ALP head office was an expert critic. Labor's pre-election strategy was misguided, amateurish and wrong-headed. Policy was released too late and aimed at the wrong people. The polling was wrong, and the advertising scattergun. The lines of communication between head office and the leader were down.

Like the star batsman out of form, the leader who's just been thumped is fair game for everybody's sharp tongue. For weeks after the election the shadow ministry wasn't so much a leaking sieve as a spraying garden-sprinkler. Front-benchers abandoned ship and discharged ballast at the same time. Latham was freely described (off the record) by his supposed colleagues as wacky, paranoiac and out of control. People watched his eyes for tell-tale signs of self-doubt – the same look cricketers have when they fear the next ball's bound to bowl them.

Never mind that much of the advice has been mutually contradictory and even unhelpful. According to Barry Jones Labor should have appealed more to conscience-driven inner-city professionals, such as some of the readers of this journal. (And so Latham went in sackcloth and ashes to Leichhardt in Sydney's inner-west to placate the so-called 'Balmain basket-weavers'). AWU secretary Bill Shorten, on the other hand, reckoned that Labor should ditch the 'latte set' and head back to the suburbs. (And so Latham mused on the 'new army of contractors' in the upward-mobile outer suburbs in our major cities). The Fairfax columnist Gerard Henderson pooh-poohed Latham's devotion to Bill Clinton-style 'triangulation' politics, and almost

in the same breath counselled Latham to return to 'move to the centre' and to 'focus on the broad economy'. As though Bill ('It's the Economy, Stupid') Clinton ever forgot the importance of economic policy, or was prone to heading off in wild deviations to the romantic Left.

But if there's one thing all the instant experts, from Lindsay Tanner through to Glenn Milne, seem to agree on, it's that Latham's pre-election focus on what are vaguely termed 'touchy-feely' or 'soft social' issues was a fatal error. What voters really want to hear about, so the story goes, is not warm and cuddly issues like child-rearing or the 'crisis of masculinity', but Labor's hard-edged policies on international trade, industrial relations reform and competition policy.

Well, yes and no. The trouble with this response is that it conflates two distinct issues: on the one hand, a recognition of the understandable preoccupation of voters with the financial security of themselves and their families, and on the other the supposed status of macroeconomic policy as the only political 'game in town'. Yet, in truth, these are quite different questions. It's pretty well undeniable that Labor lost in October in large measure because a majority of voters opted for stability over adventure in economic policy, especially on interest-rates. The data seems clear enough: where mortgagee families are most numerous and most thinly-stretched, Labor did worst. Exit polls suggest that many voters were interested in aspects of the story Labor had to tell, but in the end found more compelling the siren-song of economic certainty and predictability.

But to jump from this humdrum fact to the assertion that what the punters most want to hear about in the public debate is 'barriers to productivity' or 'labour-market rigidity' requires a huge leap of faith. It's the kind of self-deluding fairy-story which sounds plausible only to those who themselves spend too much time absorbed in the tunnel-vision of the business pages and the policy wonk's view of the world. You don't need an army of market-research consultants to realize that most Australians have very little interest in the minutiae of macroeconomic policy. Indeed, most people have only the haziest sense of what a budget deficit means in economic policy terms, or how and why interest rates rise and fall (try quizzing the punters in your local saloon bar on the difference

between the cash rate and the 90-day bond rate, if you don't believe me).

Overwhelmingly, voters judge parties' economic policy credentials not by the mechanics of policy settings, but on outcomes. If unemployment is lower rather than higher, and stays lower for a longish period of time, people naturally assume the economy is being managed in the broad national interest. If interest rates are low-ish and (perhaps just as importantly) don't move around too much from quarter to quarter, they assume the government has the financial troubles of suburban families well in view. They don't worry too much about why this happened. It might be luck, it might be good management. In politics, as Machiavelli once put it, people judge by the result.

But this still doesn't quite get to the heart of the matter. It's all very well for self-styled hard-nosed economic commentators to distinguish rigidly between economic issues ('hard') on the one hand and social issues ('soft') on the other. But to suggest that 'in the real world' ordinary people share this sense of division, because ordinary people are tough-minded and practical too, is a second form of self-delusion. Let's call it the 'tough-mindedness fallacy'. It's the mystical (if gratifying) notion that the intellectual hard-nosedness of the labour-market economist is somehow celestially in sync with the toil-induced pragmatism of the brickies' labourer.

But the fact is that most voters don't distinguish between the two realms of policy in this neat way, for roughly the same reason they're not interested in the 90-day bond rate. They don't care too much for economic doctrine. They don't want to know about how the economic cogs turn. They just want to know what the turning means for them, their families and their neighbourhoods. The fear that you're not going to be able to pay next month's mortgage payment, or that the kids will have to change school, or that you'll have to let the car fall out of rego and cadge lifts to work, isn't a matter of inelasticities or supply and demand functions. It's a knot in the pit of the stomach, a sleepless night, or a sour taste to the milk in your morning cereal.

By the same token, many of the so-called social issues now derided by the hard-nosed commentators as 'soft' aren't experienced in the 'burbs as 'soft' or even 'social' at all. Margaret Thatcher was right about one thing, at least: the idea of society (and by extension 'social issues'), like that of the economy (and 'economics'), is an abstraction wrought by theorists. Most Australians don't judge 'social' policies from a self-con-

scious vantage-point as members of 'society'. They experience them as individuals, members of families, and in relation to the people they know and meet in the street. The fact that their kid's being bullied at school, or that their son hides in his room, is no more or less real and immediate than their need to find that mortgage repayment or register their car. If economic concerns commonly take the front-seat in people's political calculations, it's not because they share with economists a theoretical view of the country as a kind of vehicle driven by the engine of the economy – it's because in daily

life financial security generally underpins other forms of personal security and well-being. Without financial security they've no space or peace to focus on the other things that bother them.

Citizens quite rightly expect government to deliver economic stability and security first, and pursue other policy directions afterwards. It would be foolish for Labor to cede economic credibility to its opponents. It needs to

have things to say about the economic future of the country. But the heroic days of economic reform are long past: nowadays most of the economic squabbling is over details. (In fact most of the government's key policy initiatives – Work for the Dole, the recreation of the job-search industry, family policies – are eminently 'social' in their focus.) Further, many of the causes of economic stability and security nowadays are not really within the immediate control of governments (let alone oppositions). A hundred discussion papers on labour-market flexibility won't serve to undermine the Government's economic ascendancy so long as the economy continues to roar along like the Mississippi.

And so to cede control of the social agenda in a single-minded, Canute-like attempt to control the economic policy waves really wouldn't be all that smart, either. Before the electoral ball smashed squarely into Latham's middle stump, Labor was carving out some promising new directions on family, gender and personal self-reliance. By all means straighten that bat, but don't forget to play some shots. **A**

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